

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1242

63rd Legislature
2013 Regular Session

Passed by the House April 23, 2013
Yeas 97 Nays 0

Speaker of the House of Representatives

Passed by the Senate April 11, 2013
Yeas 48 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1242** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1242

AS AMENDED BY THE SENATE

Passed Legislature - 2013 Regular Session

State of Washington **63rd Legislature** **2013 Regular Session**

By House Transportation (originally sponsored by Representatives Moscoso, Zeiger, Morrell, Johnson, Roberts, and Springer)

READ FIRST TIME 02/12/13.

1 AN ACT Relating to vehicle subagents; and amending RCW 46.01.140.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

3 **Sec. 1.** RCW 46.01.140 and 2012 c 261 s 10 are each amended to read
4 as follows:

5 (1) **County auditor/agent duties.** A county auditor or other agent
6 appointed by the director must:

7 (a) Enter into a standard contract provided by the director;

8 (b) Provide all services authorized by the director for vehicle
9 certificates of title and vehicle registration applications and
10 issuance under the direction and supervision of the director including,
11 but not limited to:

12 (i) Processing reports of sale;

13 (ii) Processing transitional ownership transactions;

14 (iii) Processing mail-in vehicle registration renewals until
15 directed otherwise by legislative authority;

16 (iv) Issuing registrations and temporary ORV use permits for
17 off-road vehicles as required under chapter 46.09 RCW;

18 (v) Issuing registrations for snowmobiles as required under chapter
19 46.10 RCW; and

1 (vi) Collecting fees and taxes as required;

2 (c) If authorized by the director, offer for sale discover passes
3 as provided in chapter 79A.80 RCW.

4 (2) **County auditor/agent assistants and subagents.** A county
5 auditor or other agent appointed by the director may, with approval of
6 the director:

7 (a) Appoint assistants as special deputies to accept applications
8 for vehicle certificates of title and to issue vehicle registrations;
9 and

10 (b) Recommend and request that the director appoint subagencies
11 within the county to accept applications for vehicle certificates of
12 title and vehicle registration application issuance.

13 (3) **Appointing subagents.** A county auditor or other agent
14 appointed by the director who requests a subagency must, with approval
15 of the director:

16 (a) Use an open competitive process including, but not limited to,
17 a written business proposal and oral interview to determine the
18 qualifications of all interested applicants; and

19 (b) Submit all proposals to the director with a recommendation for
20 appointment of one or more subagents who have applied through the open
21 competitive process. If a qualified successor who is an existing
22 subagent's sibling, spouse, or child, or a subagency employee has
23 applied, the county auditor must provide the name of the qualified
24 successor and the name of one other applicant who is qualified and was
25 chosen through the open competitive process.

26 (4) **Subagent duties.** A subagent appointed by the director must:

27 (a) Enter into a standard contract with the county auditor or agent
28 provided by the director;

29 (b) Provide all services authorized by the director for vehicle
30 certificates of title and vehicle registration applications and
31 issuance under the direction and supervision of the county auditor or
32 agent and the director including, but not limited to:

33 (i) Processing reports of sale;

34 (ii) Processing transitional ownership transactions;

35 (iii) Mailing out vehicle registrations and replacement plates to
36 internet payment option customers until directed otherwise by
37 legislative authority;

1 (iv) Issuing registrations and temporary ORV use permits for
2 off-road vehicles as required under chapter 46.09 RCW;

3 (v) Issuing registrations for snowmobiles as required under chapter
4 46.10 RCW; and

5 (vi) Collecting fees and taxes as required; and

6 (c) If authorized by the director, offer for sale discover passes
7 as provided in chapter 79A.80 RCW.

8 (5) **Subagent successorship.** A subagent appointed by the director
9 who no longer wants his or her appointment may recommend a successor
10 who is the subagent's sibling, spouse, or child, or a subagency
11 employee. The recommended successor must participate in the open
12 competitive process used to select an applicant. In making successor
13 recommendations and appointment determinations, the following
14 provisions apply:

15 (a) If a subagency is held by a partnership or corporate entity,
16 the nomination must be submitted on behalf of, and agreed to by, all
17 partners or corporate officers;

18 (b) A subagent may not receive any direct or indirect compensation
19 or remuneration from any party or entity in recognition of a successor
20 nomination. A subagent may not receive any financial benefit from the
21 transfer or termination of an appointment; (~~and~~)

22 (c) The appointment of a successor is intended to assist in the
23 efficient transfer of appointments to minimize public inconvenience.
24 The appointment of a successor does not create a proprietary or
25 property interest in the appointment;

26 (d) A subagent appointee who is planning to retire within twelve
27 months may recommend a successor without resigning his or her
28 appointment by submitting a letter of intent to retire with a successor
29 recommendation to the county auditor or other agent appointed by the
30 director. The county auditor or other agent appointed by the director
31 shall, within sixty days, respond in writing to the subagent appointee
32 indicating if the recommended successor would be considered in the open
33 competitive process. If there are negative factors or deficiencies
34 pertaining to the subagency operation or the recommended successor, the
35 county auditor or other agent appointed by the director must state
36 these factors in writing to the subagent appointee. The subagent
37 appointee may withdraw the letter of intent to retire any time prior to

1 the start of the open competitive process by writing to the county
2 auditor or other agent appointed by the director and filing a copy with
3 the director;

4 (e) A subagent appointee may name a recommended successor at any
5 time during his or her appointment by notifying the county auditor or
6 other agent appointed by the director in writing and filing a copy with
7 the director. The purpose of this recommendation is for the county
8 auditor or other agent appointed by the director to know the wishes of
9 the subagent appointee in the event of the death or incapacitation of
10 a sole subagent appointee or last remaining subagent appointee that
11 could lead to the inability of the subagent to continue to fulfill the
12 obligations of the appointment; and

13 (f) If the county auditor or other agent appointed by the director
14 does not select the recommended successor for appointment as a result
15 of the open competitive process, the county auditor or other agent
16 appointed by the director must contact the subagent appointee by letter
17 and explain the decision. The subagent appointee must be provided an
18 opportunity to respond in writing. Any response by the subagent
19 appointee must be included in the open competitive process materials
20 submitted to the department.

21 (6) **Standard contracts.** The standard contracts provided by the
22 director in this section may include provisions that the director deems
23 necessary to ensure that readily accessible and acceptable service is
24 provided to the citizens of the state, including the full collection of
25 fees and taxes. The standard contracts must include provisions that:

26 (a) Describe responsibilities and liabilities of each party related
27 to service expectations and levels;

28 (b) Describe the equipment to be supplied by the department and
29 equipment maintenance;

30 (c) Require specific types of insurance or bonds, or both, to
31 protect the state against any loss of collected revenue or loss of
32 equipment;

33 (d) Specify the amount of training that will be provided by each of
34 the parties;

35 (e) Describe allowable costs that may be charged for vehicle
36 registration activities as described in subsection (7) of this section;
37 and

1 (f) Describe causes and procedures for termination of the contract,
2 which may include mediation and binding arbitration.

3 (7) **County auditor/agent cost reimbursement.** A county auditor or
4 other agent appointed by the director who does not cover expenses for
5 services provided by the standard contract may submit to the department
6 a request for cost-coverage moneys. The request must be submitted on
7 a form developed by the department. The department must develop
8 procedures to standardize and identify allowable costs and to verify
9 whether a request is reasonable. Payment must be made on those
10 requests found to be allowable from the licensing services account.

11 (8) **County auditor/agent revenue disbursement.** County revenues
12 that exceed the cost of providing services described in the standard
13 contract, calculated in accordance with the procedures in subsection
14 (7) of this section, must be expended as determined by the county
15 legislative authority during the process established by law for
16 adoption of county budgets.

17 (9) **Appointment authority.** The director has final appointment
18 authority for county auditors or other agents or subagents.

19 (10) **Rules.** The director may adopt rules to implement this
20 section.

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